

Linking Green Marketing with Corporate Social Responsibility: A critical Analysis of Home Appliances

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Abstract:

In this globalized era, where everyone is conscious of his/her health using consumable or non-consumables, green products are in great demand. Green Marketing (GM) is an emerging dimension of Corporate Social Responsibility (CSR). Eco-friendly products of home appliance companies are attracting the Indian customers. The rise in electricity bills is one of the major causes. Besides reduction in the electricity bills these home appliance products are claimed to be environmentally friendly and health caring.

Various home appliance companies operating in India display their visions and mission statements concerned to CSR, and GM through their respective websites. Whether the claims of companies about CSR are accurate and what is being displayed on the websites are concerned with CSR or not; formulates a new concept for the study. All this information can be analyzed by visiting the websites of home appliance companies. Eight famous home appliance companies have been selected for the study. The web sites of these companies have been visited for their commitment, involvement and necessary measures taken for achieving CSR. Almost all the home appliance companies were found committing to GM and sustainability as a part of their CSR programs. The websites of these companies also display the necessary steps these companies have been following for CSR, GM and sustainability. This study will be beneficial for marketers in implementing the new strategies related to CSR & GM and for customers in raising their personal awareness about the benefits of using eco-friendly products.

Key words: Green Marketing, corporate social responsibility, green, environment friendly

Introduction:

Earlier people were least confined to the Green Marketing but nowadays it is Mainstream. During the 1960s people and companies were not conscious of the environmental friendly lifestyle and shopping, that time GM was not in existence. With the passage of time the attitude of people shifted towards shopping of green products and also the rules of GM changed. In January 2011, a large number of the American adults were considered green in terms of their behavior and lifestyle. This change has occurred because of the green and sustainable products that work better than their brown counterparts. One of major concern for adopting GM by firms & buyers is limited natural resources (Ottman, 2011). Not only in America but in India also customers are becoming environmentally conscious while buying, usage and disposal of their households.

Green Marketing (GM)

The term GM came into prominence between 1980s and 1990s (Green marketing Wikipedia, n.d); (Pradha, 2012); (Ranjan, 2011). The Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's, whose financial report also included the company's environmental impact. In 1987 the World Commission on Environment and Development prepared a document called Brundtland Report

defined sustainable development as, meeting the needs of the present without compromising the ability of future generations. Two Researchers; Ken Peattie (United Kingdom) in 1992 and Jacquelyn Ottman (United States of America) in 1993 published books called GM. In the US and other countries opinion polls were taken for consumer willingness to favor environmentally conscious products, were found significant. Since then green marketing has been in highlights.

Shrikanth & Raju (2012) said that green marketing involves:

- a) Optimum utilization of the resources.
- b) Charging fair prices.
- c) Delivering good quality products.
- d) Knowing the customer
- e) Educating the customer
- f) Transparency to the customer

By adopting all these measures a company can fulfill its corporate social responsibility. The websites have been visited to check whether the companies are fulfilling at least one of the above requisites of GM for CSR & vice versa. According to New Companies Bill 2002, companies have to spend 2% of the 3 years average profit on CSR activities. So it is better to work and link the GM with CSR.

Green Marketing and Corporate Social Responsibility:

Marketing of environmental safe products is called GM, also includes modification in the product, changing the process of production, changing the packaging and advertising. A large number of industries are now framing and implementing policies to deliver environmentally safe and eco-friendly products. The reason being, making the world Green and safe for future. Printing Machine Industries' are trying to be more green by reducing emissions of Volatile Organic Compounds, handling of contaminated water and toxic waste (Chaudhary, Tripathi, & Monga, 2011). There are five reasons for adoption of GM like CSR, Government and competitive pressure, Cost and opportunities. Green marketing methods produce highly effective results like cutting costs, raising response rates and increasing growth (Prasad, *n. d.*). GM is a need of hours because a great chunk of consumers now prefers environmental friendly products. GM means knowing the customer, educating the customer, genuineness and transparency to the customers (Shrikanth, & Raju, 2012). In a broader sense, green marketing is ethics and corporate social responsibility by providing better quality and environmentally friendly products and environment to the community. India stood at rank second in a global CSR study among 7 countries of the World. Rising customer and employee Expectations, government pressure is the key factors responsible for higher levels of corporate and social responsibility of Indian Firms. Various home appliance companies are practicing green marketing and corporate social responsibility by delivering the eco-friendly home usage, electronic goods (John, Burbure, & Pansare, 2013). These eco-friendly home appliances are in great demand because they protect the environment, reduces the electricity bills, maintain good health and sustainability, using the renewable or recycled resources. Thus GM and environmental marketing are the concepts related to social responsibility. GM should not only focus on customer satisfaction but it should be done in a manner beneficial for the society also (Vazifehdust. & Asadollahi 2011).

The approach of educating customers towards the environmental impacts of the product usage and disposal is of great concern which cannot be neglected with respect to GM and CSR. The websites of famous home appliance companies in India were visited to find out the effective measures adopted to educate the masses about the negative impact of conventional/ non green counterparts (during usage and disposal) on the environment.

Initiatives taken by Home Appliance companies for green marketing & Environmental protection as a tool of CSR in India:

1. LG:

LG has started a National Recycling Program as per e-waste Rules 2011 (Management and Handling), where people were guided about the recycling process. People were also guided about what to do and what not to do about recycling of products.

LG is manufacturing ACs, Invertors, refrigerators that are claimed to be eco-friendly by consuming less energy. The energy consumption calculator tells the specification of the products by providing few descriptions of the products like its capacity or its star rating. All this information is useful for customer before buying appliances. Thus, LG is on the right track of CSR where it is educating the customers and delivering good quality products.

2. Panasonic:

Panasonic as per its CSR report 2012 has contributed to reduce the CO₂ emits about 40.37 million tons in fiscal year 2012 and 41 million tons in 2013. The company is aiming to increase this amount to 120 million tons by 2019. The Panasonic is running its eco-dairy program for children of age group 6 to 15 years to increase their learning about environment protection. The company is also taking the initiatives for resource recycling and biodiversity conservation along with collaboration with stakeholder/citizenship activities over the globe.

The website of Panasonic also publishes the Panasonic eco-tips for household and environment conservation and recycling.

Panasonic Eco Tips:

- 2.1. One should switch off all the lights while going out in order to save energy.
- 2.2. While having a bath, to save water we must put off the shower while soaping and try to have a bath for less than 5 minutes.
- 2.3. If we are leaving a tap of water for 5 seconds, we are wasting a liter of water.
- 2.4. Always switch off the electrical appliances as they continue to consume the energy by switching off the main switch.
- 2.5. Electricity consumption can be reduced up to 80% by using CFLs as compared to normal light bulbs.
- 2.6. One should carry His/her own eco-bags for shopping instead of using plastic bags.

These tips are helpful for sustainability purpose. If all the Indian citizens will adopt/develop the habit of conservation, sustainability will be achieved.

3. Sony India:

Sony India also publishes for CSR. There are a lot of things on the company web page related to Sony and environment like conservation of the local environment, Sony's global environmental planning and policies etc.

Sony's 4 environmental perspectives

- a) Climate change
- b) Resource conservation
- c) Management of chemical substances
- d) Biodiversity conservation

The company publishes about its product recycling. Sony Home Appliance Company publishes to achieve green management 2015 and the three basic policies to be implemented to achieve it. These policies are:

- 3.1. Minimizing the impact on the environment by improving the efficiency of production, logistics etc.
- 3.2. Providing life enriching products superior in terms of functions, performance negative impact on the environment and quality aspect, this can be achieved by creativity and innovations.
- 3.3. The company should communicate and start partnership with stakeholders like NGOs and non-profit organizations (NPOs), universities and research organizations (within and outside the Company) by promoting environmental education and training.

Sony India is also working on the right track for CSR, making Indian citizens conscious of negative environmental/health impact of home appliances.

4. Godrej:

The website of Godrej India focuses Green think, Green Approach, Magic of the 3Rs and Benefits of recycling. The company is claiming to build a greener India by designing and delivering environmental friendly and energy efficient appliances. Godrej launched its first 100% green refrigerator in 2002 in India under its green approach and still is the one and only company with a green refrigerator. Godrej refrigerators were conferred the National energy conservation award 2009 by the Government of India and also a leader in energy efficiency and sustainability award. Godrej is working on the magic of 3 Rs i.e. reducing, reusing and recycling. The best thing is recycling because it saves energy, natural resources and clean air & water. All these activities and publications on the websites show that Godrej in India is concerned with corporate social responsibility and focuses on environmental protection adopting GM measures.

5. Haier:

Haier received Frost & Sullivan electronic Industry Award for 2013. The website publishes how to recycle the electronic waste, by not damaging the environment and health. The guideline manual shows the hazards of improper handling and improper recycling of the waste products can cause the health problems. During recycling, proper care is to be taken as toxic components those end up in the land cause poisoning of soil and water.

E-Waste, Toxic Components and their Damage to Human Health

| Toxic Materials | Birth Defects | Brain Damage | Heart, Liver, Lung & Spleen Damage | Kidney Damage | Nervous/ Reproductive System Damage | Skeletal System Damage |
|-----------------|---------------|--------------|------------------------------------|---------------|-------------------------------------|------------------------|
| Barium | | X | X | | | |
| Cadmium | X | | X | X | X | X |
| Lead | X | X | | X | X | |
| Lithium | X | X | X | X | X | |
| Mercury | X | X | X | X | | |
| Nickel | X | | X | X | X | |
| Palladium | X | X | X | X | | |
| Rhodium | | | X | | | |
| Silver | X | X | X | X | X | |

Source: website of Haier Electronics

The cross shows the hazards caused by the toxic materials in the respective cell.

The company website addresses to use company authorized collection centers for recycling. The e-waste should be dropped in the collection bins of the companies instead of dumping directly into the land or dropping into the Municipal Corporation/ household dustbins. Recycling of the electronic items not only saves the natural resources but also reduces the environmental and health problems.

6. Philips:

Philips offers a convenient way of recycling their unwanted, obsolete, and damaged Philips products by dropping them at convenient locations for consumers in India. Philips has published data on its 2012 sustainability activities as part of its integrated annual report, covering its financial, social and environmental performance.

Philips' website state sustainable development is to make the human beings live healthy. All this should be within the ecological carrying capacity of the earth. The company has an eco-vision program

to improve the lives of people. Philips aims at improving the lives of 3 billion people by 2025. The elements of this program are:

- 6.1. Green Product sales
- 6.2. Improving people's lives
- 6.3. Green Innovation
- 6.4. Green Operations
- 6.5. Health & Safety
- 6.6. Employee Engagement
- 6.7. Supplier Sustainability

Philips in India aims at a two dimensional approach to improve the lives of the people; in terms of social and ecological. The company aims at achieving the social dimension by supplying a portfolio of products and solutions caring for the health of people. The ecological dimension is to be achieved by using the natural resources more efficiently. The company has identified three key innovation areas for caring and improving peoples' lives, improving energy efficiency of Philips products, increasing the recycling amounts and recycled materials in the products.

7. *Samsung:*

Samsung is committed to e-waste management tools, since e-waste management and handling rule has been notified in 2011. Samsung calls for the recycling of its old electronic products. Its focus on recycling program is to save the energy, natural resources and clean the air & water. The website also helps people in terms of where to recycle as Samsung has provided the drop-off locations that can be traced by the internet and Samsung help lines. Samsung is manufacturing a wide range of LEDs, Refrigerators that are energy efficient and promises to fulfill the environmental benefits.

8. *Whirlpool:*

Whirlpool Corporation Received Highest ENERGY STAR Award in 2011 by the U.S. Environmental Protection Agency (EPA). It has also received a silver medal for whirlpool ACE washing machine in the international Edison award for being a better product in lifestyle and social impact category. The Whirlpool website publishes that recycling is an important way for the consumers and industrial buyers to reduce the waste and its negative consequences, because recycling conserves natural resources. Reducing, reusing, recycling and buying the recycled products benefit the natural environment. The company claims to ensure that the 85 to 90% of the materials the company uses in the whirlpool products either its steel, metal or some plastic can be recycled.

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Conclusion:

The paper shows that most of the reputed home appliance companies operating in India know about their CSR and sustainability responsibility with respect to green marketing. GM, CSR, environmental sustainability is interrelated to each other. Although home appliance companies are publishing on their websites about CSR and sustainability, recycling measures adopted. But only an educated and highly expert person of internet can get this information from the website. The reason being; information blogs are published under many headings on the web page. One has to go step by step through all the headings and sub-headings and check for the whole website in order to retrieve the information required. This is not an easy task and everyone's cup of tea in a developing country like India where there is a lack of communication network and knowledge about the internet. Besides Internet the Newspaper and TV are the best medium for generating the awareness of people towards environmental care. The companies should adopt this as the advertising medium besides relying on the Internet. Godrej in its TV advertisement of ACs and Samsung, LG for smart refrigerators in India is implementing this strategy.

Suggestions and recommendations:

The companies should adopt the green measures to raise the awareness of people about the company's as well customer's role in CSR. This can be made possible if the people have familiar and easily accessible type of websites.

The companies are showing through their respective websites that recycling, waste disposal, carbon emission reduction, environmental protection is necessary, and companies are working on these issues. All this information is theoretical, no figures are provided by most of the home appliance companies, as what figures they are planning to achieve in the future and what have achieved till yet.

Few companies give the facility of energy consumption check meter, showing the amount of electricity bill generated by using a home appliance product by entering the figures like the price of the electricity unit of that area. This is a good strategy to motivate people to buy the eco-friendly home appliances. But only this cannot work as much is needed to make people aware about visiting the websites and comparing the products of home appliance companies on the basis of eco-friendly and environmental benefits. The green marketing measures if implemented fully can work better in developing economies like India.

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